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Automotive News

February 10, 1986

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GM shakeup spurs wave of speculation

By Michelle Krebs and John K. Teahen Jr.
Automotive News Staff

The health of a General Motors executive brought major changes in the corporation's hierarchy last week. The changes opened up several new avenues of speculation about who will be the next GM president.

Alexander A. Cunningham, 60, was placed on a disability leave of absence, after which he will retire. No date was given for his retirement. He also has given up his seat on the board of directors.

Cunningham, executive vice president in charge of North American Automotive Operations, suffered a second heart attack in November. He underwent bypass surgery seven years ago following a heart attack. As a result of the heart condition, Cunningham has decided to relinquish his GM duties.

Lloyd E. Reuss

The 38-year GM veteran had been thought to be the heir apparent to the GM presidency, succeeding F. James McDonald, who will be 65 in August, 1987.

Last summer, Cunningham was put in charge of everything on wheels in North America. Truck and bus operations were added to his responsibilities for North American car operations.

Robert C. Stempel

The race for the presidency now seems to have narrowed to Robert C. Stempel and Lloyd E. Reuss, though other executives are not necessarily out of the running.

New jobs for Reuss and Stempel represent a split-up of Cunningham's responsibilities with some additions.

Reuss, 49, becomes a board member and executive vice president in charge of North American Passenger Car Groups. He had been vice president in charge of the Chevrolet-Pontiac-GM of Canada Group (CPC). Before that, he had been Buick general manager.

Stempel, 52, also was appointed to the board and was named executive vice president in charge of the Truck and Bus Group and Overseas Group. Stempel was vice president in charge of the Buick-Oldsmobile-Cadillac Group. He had been general manager of Pontiac and Chevrolet as well as managing director of Adam Opel AG

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Joe Wilssens

Buick's NADA reception—a splash with GM dealers and brass

Woulfe, Morsani chart dealer path for future

By John A. Russell
New York Staff Writer

NEW ORLEANS.—Speakers at the closing session of the NADA convention last week—James B. Woulfe, NADA's new president, and Frank Morsani, chairman of the U.S. Chamber of Commerce—addressed ways to ensure the continued strength of the auto industry and the nation's business.

As expected, Woulfe announced that NADA will form a blue-ribbon committee, called Project 2000. He took up the theme sounded by former NADA President William J. Symes at the opening session of the convention—that NADA's mission "is to protect and strengthen the franchise system." (Automotive News, Feb. 3.)

Morsani, an auto dealer from Florida, called auto dealers "America's truest, purest entrepreneurs." He said there are warning signs that the economic recovery in which vigorous enterprise is possible may be interrupted.

He outlined what he termed the 10 imperatives—five for government and five for the private sector—which would "ensure prosperity into the next decade."

Woulfe said that Project 2000's findings will help form NADA strategies in the future and will be "our way to reinforce the franchised dealer role" and remind manufacturers "who their true friends are."

"What Project 2000 is all about is looking at every proposed change to the franchise system and making sure we who represent franchised dealers have a say in it," Woulfe explained.

He promised dealers that NADA will continue to fight fleet subsidies, odometer fraud and the gray market. He termed those "destructive to the franchise system."

He added that the committee

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NADA

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$500 cost saving goal of simpler Omni/Horizon

By Mary Connelly
Detroit Reporter

Chrysler Corp., in a move that could boost sales through productivity gains rather than financial incentives, is trying to reduce manufacturing costs by $500 per car on its Omni and Horizon subcompacts.

The effect of the program would limit the choice of equipment options for Omni and Horizon buyers—and provide manufacturing cost savings that would be passed on to consumers.

An announcement of the changes could come as early as Thursday. In the last month, the changes have been outlined for union officials and some major dealers.

One union official who participated in talks in mid-January said tentative plans then called for Chrysler to begin offering simplified option packages.

William Campbell, financial secretary and treasurer of UAW Local 1268, said that limiting the number of buyer choices would allow Chrysler to reduce the manufacturing cost of Omni and Horizon. Campbell's local represents workers at Chrysler's Belvidere (Ill.) assembly plant, where the subcompacts are produced.

Chrysler would not comment on Campbell's report. But sources inside Chrysler said the company was working hard to bring the price of Omni and Horizon into the $5,700-range, a drop of about $500 from the current sticker price.

Omni and Horizon currently have a base price of $6,209. Chrysler's $500 cost-saving target is comparable in value to current financing incentives, which expire later this month. If the manufacturing cost savings could be achieved, they would allow Chrysler to give consumers the same value as today after the incentives expire, or a greater savings if the incentives are renewed.

In a statement last week, Chrysler acknowledged it was "evaluating ways to reduce costs, especially on subcompact models, which face growing competition. We are generally trying to achieve with manufacturing cost reductions what we are now doing with incentives."

Chrysler's move comes at a time when competition in the subcompact market is intensifying. The South Korean Hyundai Excel is

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Car sales set record in Europe

By Richard Feast
European Editor

LONDON.—New-car sales in Western Europe last year almost certainly reached a new high.

At just under 10.6 million units, the total was up 4.3 percent from the previous year and very slightly above the previous peak of around 10.55 million in 1979.

Those early indications, from country associations and company sources, confirm that the Volkswagen-Audi group was the market leader for the first time with 12.9 percent.

The West German maker held the lead for most of the year and finished comfortably ahead—in European terms—of Fiat Auto (12.3 percent), Ford (11.9 percent), Peugeot SA (11.5 percent), General Motors (11.4 percent) and Renault (10.7 percent).

The definitive figures will not be known for several weeks, but year-end statistics from three of the four major markets (West Germany, the U.K. and France) and several others have been confirmed. There may be some minor changes when the counting finally stops, but the record year and VW's No. 1 position seem set to stand.

The high general demand for

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Late News

GM's Smith sees 15 million sales

CHICAGO.—General Motors Chairman Roger B. Smith, calling the 1985 alltime sales record of 15.7 million vehicles "a very tough act to follow," predicted that in 1986 the "industry could sell more than 15 million vehicles—especially with the right actions in Washington on CAFE and effective follow-through on the budget and trade deficits." Smith spoke at a luncheon marking the opening of the Chicago Auto Show.

Spelling lesson

CHICAGO.—Chevrolet General Manager Robert Burger held a brief spelling session during the division's press conference at the Chicago Auto Show last week. Speaking in the elegant Drake Hotel, Burger said the new two-door sport coupe is the Beretta (not Baretta), and the companion four-door is the Corsica. "They are even more exciting in the flesh than they are in the spy photos I keep seeing," he quipped.

Chicago Auto Show roundup
Page 2

NEWSPAPER

Air-bag use seems near at Porsche

WASHINGTON.—Porsche is tilting toward including passenger-side air bags along with driver-only air bags on the Porsche 944.

Although Porsche has not set a date to install the air bags, it wants a quick answer from NHTSA on whether doing so will be worth two vehicle credits to count as part of the phase-in requirement of the passive-restraint standard.

The company is being supported by the Insurance Institute for Highway Safety, which considers it a way to encourage use of air bags instead of automatic belts. IIHS also supported Ford's earlier and successful petition to gain 1.5 vehicle credit for its driver-only air-bagged cars.

In its petitions, Porsche said passenger-side air bags offer greater protection than passive belts "especially in light of the general discomfort, inconvenience and obstructions created by automatic belts." Porsche asked NHTSA for expedited consideration in view of the "extensive" leadtime needed.

Porsche said that granting extra credit will encourage development since there could be three years of practical experience with air bags before passive restraints are mandated across the board—or at least until they are automatically rescinded because of passage of state belt-use laws covering two-thirds of the nation's population.

Chevy, Pontiac offer incentives on big rwd cars

Chevrolet and Pontiac began a round of incentives Feb. 1 on their big, rear-drive cars.

At Pontiac, dealers are reimbursed their wholesale cost of $615 for free air conditioning on each Parisienne delivered during February, March and April. Demos will not be included, but the cash incentive does apply to units already in stock as well as those ordered.

At Chevrolet, Caprice and Impala get incentives, divided $125 to the salesman, $25 to the sales manager and $100 to the dealer.

Both models have been overstocked since November. They were not included in the low-interest rate incentives launched by GM Dec. 26. GM said those incentives, which expire Feb. 22, would emphasize its four-cylinder models to improve its Corporate Average Fuel Economy rating.

Pontiac plans to end Parisienne sedan production in mid-year; the wagon will remain in production along with the full-size Chevrolet sedans and wagons.

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60th year—No. 5113

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Hatchback Corsica for '88

Jim Dunne/Popular Mechanics

Chevrolet is slated to get the mid-sized L-bodied Corsica late this year as a 1987 model, but it will wait until 1988 to introduce the hatchback version, snapped here.

Political furor quashes Ford-Austin Rover deal

By Richard Feast
European Editor

LONDON.—Political furor erupted last week when the U.K. Government suggested selling BL's Austin Rover Group (ARG) to Ford and confirmed that a General Motors' takeover of the state-owned company's Leyland Trucks and Land Rover divisions is close.

The revelations caused such a terrific backlash from the politicians—and not just from opposition Members of Parliament—that the government executed a rare U-turn.

Ford is not to buy ARG after all, although it looks as though the GM purchase will go through.

The one concrete aspect to emerge from a very confusing and politically heated few days is that For Sale notices have been pasted on all assets of the BL organization.

The philosophy is not new, but the Conservative government under Prime Minister Margaret Thatcher has added a new urgency to the job. It wants it done before the next election, either next year or in early 1988.

That was underlined when Trade and Industry Secretary Paul Channon confirmed that talks about the sale of Leyland/Land Rover are at an advanced stage (Automotive News, Jan. 27).

Channon also said separate discussions are taking place for the sale of Leyland Bus operations to the Laird Group, the U.K.-based owner of bus maker Metro-Cammell-Weymann.

Those moves will leave ARG as the only constituent of BL. The government naturally turned to Ford, the country's market leader and a substantial vehicle producer here. Even before the political jingoism prompted cancellation of the talks, it was difficult to see just what Ford would have gained from a purchase of ARG.

Ford already outsells ARG in the U.K.—485,000 to 328,000 last year—and has always complained that inefficiencies at its Dagenham and Halewood plants in the country mean under-utilized capacity. In the rest of Europe, Ford outsells ARG by more than eight to one, and in the U.S., ARG is only just putting together a distribution system to sell the Sterling sedan beginning early next year.

For more than two years Ford has steadily been reducing its head count and lowering its European breakeven to provide the parent with a better return on investment. To have taken on Austin Rover at this stage would have been to move in the opposite direction of recent events.

The American multinationals, GM and Ford, were being portrayed as the bogeymen of the piece here last week.

The apparent willingness of Honda to buy 10 percent of Austin Rover, with whom it has product development and production links, was not widely known in the U.K. last week. But if companies which have been major vehicle makers in the U.K. for 50 years (GM) and 75 years (Ford) are being given a hard time, a Japanese company's interest in ARG is likely to be greeted with even greater animosity.

Given the government's determination to rid itself of ARG and recent events, it is difficult to understand the company's longterm future. Self-interested parties do not want it sold to an overseas group; it is too big to be taken over by a local component supplier, even a Lucas or GKN; its financial record prevents management raising money to buy it and, for the same reason, it is unlikely to prove attractive enough to institutional investors if launched on the stock market.

Honda eying stake in Austin Rover

TOKYO.—Honda Motor Co. reportedly will acquire a 10-percent interest in Austin Rover, the car division of BL, the British-Government-owned auto manufacturer.

According to reports published here, negotiations between the two firms are expected to be completed by the end of April. Honda already is developing cars with Austin Rover.

Domestic sales up; imports set record

By Jenny L. King
Detroit Reporter

Retail deliveries of new domestic cars in January inched up one percent above a year ago to the best total for the month since 1979.

Sales of imported cars were a record, making January the ninth consecutive month in a series of "bests" which began last May. Imports claimed 27.18 percent of a relatively strong market, up from the last few years but well below record penetration of 31.08 percent in 1982.

Domestic sales in January numbered 635,904, up 1.25 percent from 628,037 a year earlier, but short of the 644,536 reported back in 1979. The tiny increase over 1985 indicated that the current financing incentives helped—but not much.

Imports numbered 237,351, up 14.60 percent from 207,115.

Combined sales of 873,255 were up 4.56 percent from 835,152 in January, 1985.

The domestic sales gain was achieved on the strength of General Motors' 3.74-percent increase. Ford Motor Co. narrowly missed its year-ago mark and Chrysler Motors was down 8.29 percent.

GM reported sales of 376,353 units, up some 13,000 from 362,780 in 1985. Ford sales added to 149,380, down 0.92 percent from 150,762. Chrysler dropped 8.29 percent, to 78,195 domestics from 85,260 the preceding year.

Honda was off 0.77 percent, to 13,263 from 13,366.

The other three makers were all in the 6,000 range. American Motors, at 6,389, was down 36.03 percent from 9,987. Volkswagen, at 6,321, was up 7.46 percent from

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GM seeks more Japan cars

TOKYO.-General Motors has asked the Ministry of International Trade and Industry (MITI) to increase car export quotas to the U.S. for both Isuzu Motors, Ltd., and Suzuki Motor Co.

According to Henry V. Leonard, GM's top official here, GM asked MITI to raise Isuzu's quota of car shipments to the U.S. to 200,000 units and Suzuki's to 100,000 for fiscal 1986, which begins April 1. The limits for fiscal 1985 are 120,000 for Isuzu and 60,000 for Suzuki.

Chevrolet dealers in the U.S. sell the Isuzu Spectrum and the Suzuki Sprint.

The request to the Japanese Government came amid a growing public clamor by labor leaders and members of Congress for Japan to extend its voluntary export quota of 2.3 million cars to the U.S. beyond the March 31 expiration date so that the U.S. trade deficit with Japan will not exceed last year's $49.5 billion.

Leonard said the request was made when a GM executive attended a meeting of Isuzu shareholders here in late January. He said it was pointed out to MITI that GM's original contract with Isuzu called for 200,000 units a year, but restraints have held the number below that level.

Leonard said Chevrolet dealers have a low inventory of cars exported by Isuzu and are in dire need of more cars. However, Automotive News reported that Chevrolet dealers had an 89-day supply of the Suzuki Sprint and a 191-day supply of the Isuzu Spectrum on Jan. 1.

GM owns 34.2 percent of Isuzu and about 5 percent of Suzuki. Isuzu also markets cars in the U.S. though its subsidiary, American Isuzu Motors.

According to reports, GM made the request because it believes it needs to obtain more Isuzu cars in order to compete with other Japanese auto makers' subcompacts in the American market.

Blake bails out of Avanti

By Edward Lapham
Marketing Editor

Stephen H. Blake, Avanti Motor Corp. president and chief executive, resigned last week following the breakdown of refinancing negotiations.

He was replaced by Robert E. Smith, who had been executive vice president. Terry Arman will remain as chief financial officer.

"I found my Achilles heel," Blake told Automotive News after the company issued a statement. "I decided it was time to get out.

"I resigned because I didn't feel there was anything more I could do."

The company, in Chapter 11 bankruptcy proceedings, had been negotiating with an investor group trying to finalize a reorganization plan.

The failure of those negotiations could well mean the death knell for the South Bend auto maker.

"The failure of this refinancing effort will probably result in Avanti's secured creditor, 1st Source Bank, exercising the remedies available to it under the latest Chapter 11 court order," the company's statement said.

Beleagured Blake

Sources close to the matter said the bank, which is owed between $2.5 million and $3.1 million, could seek to liquidate the assets in order to satisfy its claim.

Avanti said "remaining management has instructed its attorneys to seek a temporary injunction against the bank's efforts in order to assess what has happened as well as explore alternative financing for the company."

Blake told Automotive News last week that there had been "outside interference" in the reorganization negotiations, but he refused to identify the party he believes "interfered."

The company, acquired by an investor group headed by Blake in October, 1982, filed for protection from its creditors under Chapter 11 last June.

As part of the refinancing, Blake had hoped to leave the century-old Indiana plant in favor of a Detroit-area facility, but that fell through.

The company said it was concerned about the position of its unsecured creditors and the State of Indiana loan guarantee, "given the bank's probable intent."

Although Avanti management will continue to seek to refinance the operation, the plant is idle. Employment, in the office and service and parts operation only, is down to fewer than 20 people.

The limited-volume manufacturer has operated as an independent maker for more than two decades, since it was spun off from defunct auto maker Studebaker.

used-car auction directory

MINNESOTA

WEDNESDAY 12 NOON SALE DAY
Feb. 12— ...ant Truck Sale. 300 plus units.
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MISSOURI

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Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: Frank Post, 817-626-5494.

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factories list auction dates

American Motors

Feb. 11—D-A Auto Auction, New Stanton, Pa., and American Auto Auction, Walpole, Mass.

Feb. 12—Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Columbus Fair Auto Auction, Obetz, Ohio.

Feb. 13—Evansville Auto Auction, Evansville, Ind.; Fredericksburg Auto Auction, Fredericksburg, Va., and Northway Exchange Auto Auction, Clifton Park, N.Y.

Feb. 18—Aptco Auto Auction, Taylor, Mich., and High Point Auto Auction, High Point, N.C.

Feb. 19—Metro Milwaukee Auto Auction, Caledonia, Wis., and Mid States Auto Auction, South Bend

Feb. 20—Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind.; Corry Auto Auction, Corry, Pa., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Feb. 21—Floyd Hauhe Auto Auction, Bridgeton, Mo.

Chrysler Corp.

Feb. 11—Hatfield Auto Auction, Hatfield, Pa.; NuCarPrep System, Santa Fe Springs, Calif., and Florida Auto Auction of Orlando, Ocoee, Fla.

Feb. 12—Southern Auto Auction, Warehouse Point, Conn.; Columbus Fair Auto Auction, Obetz, Ohio; Dallas Auto Auction, Grand Prairie, Tex., and South Seattle Auto Auction, Kent, Wash.

Feb. 13—Fredricksburg Auto Auction, Fredricksburg, Va.

Feb. 14—Concord Auto Auction, Acton, Mass., and St. Louis Auto Auction, Bridgeton, Mo.

Feb. 18—Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Golden Gate Auto Auction, Fremont, Calif.

Feb. 19—Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala.; Minneapolis Auto Auction, Plymouth, Minn., and Southwest Auto Auction, Phoenix.

Feb. 20—Tim Anspach Auto Auction, Albany, N.Y.; Clanton's Auto Auction, Darlington, S.C., and Indianapolis Auto Auction, Indianapolis

Feb. 21—Concord Auto Auction, Acton, Mass.

Ford Motor Co.

Feb. 12—Concord Auto Auction, Acton, Mass.; Salt Lake Auto Auction, Salt Lake City, and Hatfield Auto Auction, Hatfield, Pa.

Feb. 13—Southwest Auto Auction, Phoenix; Arena Auto Auction, Chicago; Atlanta Auto Auction, Red Oak, Ga., and Dallas Auto Auction, Grand Prairie, Tex.

Feb. 19—Lakeland Auto Auction, Lakeland, Fla., and Brasher's Southern California Auto Auction, Fontana, Calif.

General Motors

Feb. 11—Florida Auto Auction of Orlando, Ocoee, Fla.; Denver Auto Auction, Englewood, Colo., and Southern Auto Auction, Warehouse Point, Conn.

Feb. 12—Brasher's Southern California Auto Auction, Fontana, Calif., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Feb. 13—Nashville Auto Auction, Nashville

Feb. 18—South Seattle Auto Auction, Kent, Wash.

Feb. 19—Clanton's Auto Auction, Darlington, S.C., and Indianapolis Auto Auction, Indianapolis

Nissan

Feb. 20—Nashville Auto Auction, Nashville

Used Car Sales
Auction Averages

Feb. to date	$4,729
Month ago	$4,559
Year ago	$4,434

Model Breakdown
Auction Averages

	FEB. 1986	JAN. 1986	DEC. 1985
1986	$10,461	$8,789	
1985	$8,562	$8,509	$9,839
1984	$6,118	$5,943	$6,514
1983	$5,252	$5,206	$5,594
1982	$4,100	$4,136	$4,507
1981	$3,230	$3,163	$3,474
1980	$2,442	$2,402	$2,694
1979	$1,968	$1,954	$2,207
Overall Average	$4,729	$4,651	$4,589

Shakeup at GM spurs speculation

Continued from Page 1

in West Germany.

Cunningham had not been in charge of the Overseas Group. However, it is a growing area with the recent restructuring of European operations and the purchase of a majority interest in Group Lotus, the British engineering and performance-car manufacturing company. In addition, GM is negotiating the purchase of Leyland Vehicles, the truck and bus division of the British Government-owned BL.

Stempel's Opel experience undoubtedly was a factor in his getting the overseas responsibilities. Previously, overseas operations had reported to the GM president.

In other moves, William E. Hoglund, 51, a vice president, was appointed group executive in charge of the BOC Group. Most recently, he had been president of Saturn Corp. Before that, he had been Pontiac general manager, after rising through the Financial Staff ranks.

Robert J. Schultz, 55, a vice president, replaced Reuss at the helm of CPC. He was in charge of the Electrical Components Group and earlier was CPC director of engineering.

Richard G. LeFauve, 51, a vice president, replaced Hoglund at Saturn. He was group director of operations at BOC.

LeFauve becomes the third Saturn president since the corporation's formation a year ago. Hoglund was named president after the death of Joseph J. Sanchez. Sanchez suffered a heart attack three weeks after he was appointed to the Saturn job.

Schultz and LeFauve are two fast-rising executives. Schultz has had three major promotions in the past year; LeFauve has had two.

E. Michael Mutchler, 50, was elected a GM vice president and was placed in charge of the Electrical Components Group, replacing Schultz. Mutchler was general manager of Rochester Products Division.

Malcolm R. Currie, 59, was elected president of Delco Electronics Corp., a subsidiary of GM Hughes Electronics Corp., the new company formed by the combination of Hughes Aircraft Corp. and GM's Delco Electronics. He is not a GM vice president but remains an executive vice president of Hughes.

GM also named executives to its European coordinating organization.

John F. Smith Jr., 47, a GM vice president, was appointed executive vice president of GM Europe-Passenger Cars in charge of operations and engineering of that newly formed entity. He reports to Ferdinand P. Beickler, newly appointed president of GM Europe. Smith formerly was president and general manager of GM of Canada.

George A. Peapples, 45, was elected a GM vice president and appointed general manager of GM of Canada, replacing Smith. Peapples was group director of strategic business planning at CPC.

Though the race for the GM presidency appears to be between Reuss and Stempel, other names and other factors may come into play before a decision is made.

Reuss and Stempel are young by top-executive standards. Appointing either of them to the presidency in two years would mean GM could have the same president for a decade or more. GM hasn't had a 10-year president since Charles E. Wilson (1941-1953).

GM may well decide to choose a president for an interim period. That's why Cunningham was such a strong candidate before his decision to retire.

Donald J. Atwood, GM executive vice president and president of GM Hughes Electronics Corp., retires two years after McDonald and could be a contender if GM goes the interim route.

Before his GMHE job, Atwood was in charge of GM's Truck and Bus Group, Power Products and Defense Operations and Electrical and Mechanical Components Operations. He gave up Truck and Bus, but still has the other duties. Atwood, however has held no car jobs and no overseas posts.

There also is the job of vice chairman to consider. The present vice chairman, Howard Kehrl, retires in 1988, a year after McDonald. Whoever is not chosen as president (Stempel or Reuss) could be named vice chairman.

A race between two strong contenders for the president's job is not unprecedented at GM.

On at least one such occasion, the competition had an unexpected aftermath. In 1967, Edward N. Cole and Semon E. (Bunkie) Knudsen were vying for the job. Cole won and Knudsen quit. He went to Ford Motor Co. as president and was fired 20 months later by Henry Ford II because "things just didn't work out." But that's another story.

In 1974, the candidates were Elliott M. (Pete) Estes and Richard L. Terrell. Estes was chosen, and Terrell became vice chairman. Terrell stayed with GM.

And GM doesn't always pick the media-anointed president. In 1958, there was little doubt that Louis Clifford Goad would succeed Harlow H. Curtice. Little doubt, that is, except in the GM boardroom. John F. Gordon, a relatively unknown vice president, got the job and served with distinction for seven years.

Maybe Hoglund is today's Jack Gordon. He has financial and operating experience. As president, he'd be skipping over two current superiors, Reuss and Stempel, but it does happen.

And John Smith is a name to place in the future book. His 'lineage' is excellent—Chairman Roger and Executive Vice President F. Alan, although he is not related to either of those Smiths. He'll be moving up, although he's probably one generation away from the very top.

With his finance and operations background, John Smith is a strong candidate for either president or chairman some day. He'd be an interesting choice as chairman—three Smiths in a row. F. Alan is the odds-on favorite to succeed Roger in 1990.

A. A. Cunningham

William E. Hoglund

Robert J. Schultz

Richard G. LeFauve

E. Michael Mutchler

Malcolm R. Currie

John F. Smith Jr.

George A. Peapples

$500 saving sought

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scheduled to go on sale in the U.S. for $4,995 this month, and Hyundai has said it expects to sell 100,000 cars this year.

Campbell said the Omni-Horizon changes were designed to allow increased production volumes and permit higher turnover rates in dealer showrooms.

"They're planning a high-velocity vehicle," Campbell said. He added, however, that the plans outlined at the meeting were tentative.

The company stressed last week that it would not "resort to a no-frills car" to compete with low-cost imports such as the Excel.

"Chrysler is committed to offering well-equipped models and will not resort to a no-frills car to gain a price advantage," the company said.

For several months, Chrysler has been studying methods of simplifying manufacturing and reducing production costs.

Chrysler may make an announcement regarding its competitive plans in the subcompact market Thursday when Chairman Lee A. Iacocca reports 1985 earnings.

The program was detailed to union officials during meetings regarding the future of the Belvidere assembly plant.

On Jan. 14, the company and UAW Local 1268 reached agreement on a local contract at the plant which "resolved open issues presented by the union and management," Chrysler said.

As part of that agreement, Chrysler Motors President Harold K. Sperlich said the company would produce its planned C-body models at the plant if the union agreed within 90 days to a progressive labor agreement patterned after the contract at its Sterling Heights (Mich.) plant.

The C-body is a full-size, front-wheel-drive luxury car. Chrysler has not said when the C-body will go into production. Nor has it announced when it will end production of the L-body Omni and Horizon models at Belvidere.

The future of the Belvidere plant, which employes 4,000, has been uncertain. Chrysler has sought financial help from state government and a new agreement from workers to keep the plant operating.

Car sales in Europe crack record in '85

Continued from Page 1

cars across the continent was an unexpected bonus for the industry. Economic factors did not point to a record. Low wage settlements, expensive financing and high unemployment are not the background to a boom in consumer spending.

The fact that it happened in the auto industry can be attributed in large part to the incentive marketing undertaken to counter overcapacity, generally acknowledged to be in excess of 2 million units annually.

Part of that surplus capacity is due to imports from Japan—a factor best illustrated by Japan's 1985 market share of 10.7 percent (a record) compared with the 7.3 percent it had in the similar volume year of 1979. Japan's extra 350,000 sales over the period were at the expense of local producers.

The 1986 outlook is for a total of around 10.9 million, another record. But while on the surface that seems to augur well for the industry, one very senior source pointed out that it was below the market projections being made a few years ago. Then, the long-range forecasts were talking of annual sales in excess of 11 million by the mid-1980s.

Last year, all but two of the continent's 16 reporting nations had sales increases. They ranged from the fiscal-induced boom of nearly 50 percent in Norway to the steady climb back from slump in France, where the improvement was just 0.5 percent. In unit terms, the main increases were in Italy, 111,900; the U.K., 73,800; Norway and Spain, with around 50,000 extra each, and the Netherlands, which was up more than 30,000.

The two deficits were in West Germany (the largest national market) and Switzerland (which echoed many of Germany's environment-induced problems).

But after whopping monthly deficits early in the year, the German market came back steadily as European exhaust emission differences were settled. On a monthly basis, German sales were increasing by the end of the year.

Indeed, the comeback of the German market this year is expected to provide most of Europe's impetus. France and Spain have been slack for some time and could also bolster the anticipated upward swing. However, Italy and the U.K. cannot be expected to contribute much after recent years of high numbers.

It is this German stimulation that should help VW-Audi retain its European lead.

Last year, the company held its own in a German market that was flat, and it rose to the top in Europe on the strength of a dramatic export drive. For the first time, it made more deliveries in Europe outside Germany than within it. Thus, as German market leader, it stands to gain most from any resurgence in the country.

The company's leadership could be strengthened by the pending agreement to take over Spain's Seat. Final agreement on that is expected at VW's supervisory board meeting Feb. 21. If Seat's sales results—1.4 percent of Europe last year—are consolidated into VW's, it will put VW well ahead of any opposition.

Fiat Auto sales went up 0.8 percent to just under 1.3 million last year, or about 70,000 behind VW's 1.37 million.

Third place last year went to Ford of Europe, the market leader in 1984. At first glance the 3.3-percent slip (to 1.26 million) looks poor, but the company reports that profitability has gone in the opposite direction.

Peugeot SA—the Peugeot and Citroen duo—went up 4.5 percent to 1.22 million. It finished marginally ahead of GM (Opel/Vauxhall), which rose 7.5 percent to just over 1.2 million. It was the best result in terms of sales ever achieved by GM in Europe.

Renault volume went up 1.9 percent to a little over 1.13 million. That meant it still lost overall market share, although the slow recovery of the French market and the launch of the new R21 sedan are indicators that the sales decline has bottomed out.

Of the smaller-volume makers, Mercedes-Benz was up more than 20 percent to 398,000 (3.7 percent of the market)—arguably the most impressive performance of any maker in Europe last year.

Austin Rover rose 6.5 percent to 420,000 (3.9-percent market share) and Volvo went up 6.8 percent to 255,000 (2.7-percent share). Two specialist makers lost ground: BMW, down 4.1 percent to 292,000 (2.7-percent share) and Alfa Romeo, off 11.5 percent to 162,000 (1.5-percent share).

Belgium sales peak

BRUSSELS.—New-car sales in Belgium last year were the highest in five years. Registration statistics published by FEBIAC put the total at 359,831, an increase of 2.2 percent over the previous year.

SALES BY COUNTRY

Country	1985	Change from '84
Austria	233,800	+12.7
Belgium/Lux	359,800	+ 2.2
Denmark	157,500	+17.3
Finland	137,400	+ 9.9
France	1,766,700	+ 0.5
Ireland	59,800	+ 5.8
Italy	1,748,300	+ 6.8
Greece	76,900	+17.0
Netherlands	491,200	+ 6.6
Norway	158,100	+47.5
Portugal	89,000	+19.3
Spain	571,700	+ 9.5
Sweden	263,000	+13.8
Switzerland	272,800	– 1.1
United Kingdom	1,823,400	+ 4.2
West Germany	2,379,300	– 0.6
Total	10,589,200	+ 4.3

Note: Figures preliminary.

EUROPE 1985: HOW THE LEADERS FINISHED

Manufacturer	1985	Market share	1984	Change from '84
VW-Audi Group	1,369,300	12.9	1,222,400	+12.0
Fiat Auto	1,299,400	12.3	1,288,400	+ 0.8
Ford	1,261,600	11.9	1,305,300	– 3.3
Peugeot SA	1,220,300	11.5	1,167,300	+ 4.5
GM-Opel/Vauxhall	1,205,900	11.4	1,121,100	+ 7.6
Japanese (all)	1,136,000	10.7	1,037,700	+ 9.5
Renault	1,131,000	10.7	1,109,800	+ 1.9
Total	10,589,200	100.0	10,150,300	+ 4.3

Note: Figures preliminary.

Import sales soar to new high

Continued from Page 3

5,882, and Nissan reported sales of 6,003 new U.S.-built Sentras.

GM earned 59.18 percent of the January domestic market, up from 57.76 percent in 1985. Ford had 23.49 percent, down from 24.01 percent. Chrysler slipped to 12.30 percent from 13.57 percent.

AMC earned an even 1.00 percent, down from 1.59 percent; Honda held 2.09 percent compared with 2.13 percent in 1985; VW sales accounted for 0.99 percent, up from 0.94 percent, and Nissan cornered 0.95 percent of this year's market.

The few sales gains among the U.S. makes included January records posted by Oldsmobile and Pontiac. Oldsmobile was up 2.32 percent, to 90,185 from 88,143, while Pontiac dealers went allout with a sales increase of 38.46 percent, to 73,940 from 53,401. Cadillac was up 6.01 percent, Chevrolet dipped 0.45 percent and Buick was down 13.91 percent.

Ford sales were up 1.08 percent only to be offset by a 3.53-percent decline for Mercury and a 9.02-percent drop for Lincoln.

Plymouth was off 1.39 percent, Chrysler dropped 7.55 percent and Dodge was down 14.65 percent.

The record import total included January records for BMW, Honda, Isuzu, Mazda, Mercedes-Benz, Mitsubishi, Saab, Subaru and Volvo.

BMW was up 12.41 percent from last year, Honda was up 3.01 percent, Mazda was up 57.24 percent, Mercedes was up 28.51 percent and Mitsubishi was up 26.55 percent.

Saab sales were up 9.48 percent, Subaru was up 46.83 percent, Toyota was up 5.43 percent and Volvo was up 21.68 percent.

Sales of the Chevrolet Spectrum were up 73.33 percent while Sprint sales were almost triple their year-ago figure. Dodge Colt was up 58.77 percent, and the Plymouth version was up 47.00 percent.

The market-class breakdown included U.S. intermediates at 28.22 percent, imports at 27.18 percent, compacts at 17.05 percent, subcompacts at 13.54 percent, luxuries at 7.61 percent and standard-size models at 6.40 percent.

Without the imports factor, the market was comprised of 38.75 percent intermediates, 23.42 percent compacts, 18.60 percent subcompacts, 10.44 percent luxuries and 8.79 percent standards.

Domestic sales were down 2.53 percent the final 10 days of the month, to 261,702 from 268,500. GM, VW and Honda reported increases while AMC, Chrysler and Ford were down.

GM's gain was just 0.31 percent, VW was up 2.26 percent and Honda was up 13.54 percent. Chrysler dropped 15.36 percent, Ford was down 7.27 percent and AMC was off 8.44 percent.

The Jan. 21-31 market was divided in this manner: GM had 58.21 percent, Ford had 22.81 percent, Chrysler had 12.57 percent, AMC had 1.26 percent, VW had 1.33 percent, Honda had 2.77 percent and Nissan had 1.05 percent.

There were 26 selling days in the month both years, producing daily averages of 24,458 in 1986 and 24,155 in 1985. With 10 days in the final period each year, the averages were 26,170 in 1986 vs. 26,850 in 1985.

Sales in Japan rise 3.3 pct. for January

TOKYO.-January new-vehicle sales in Japan, excluding mini-vehicles, increased 3.3 percent from the year before to 212,885 units.

Of the total, according to the Japan Automobile Dealers Assn., automobile sales rose 3.3 percent to 148,339, the highest for any January, while trucks increased 3.2 percent to 63,667 units and buses climbed 3.7 percent to 879 units.

Toyota's sales set a monthly record of 89,296 units, up 4.0 percent, to account for 42.9 percent of the market, according to the association.

Nissan, the second largest maker, sold 52,937, down 0.7 percent, for 24.9 percent of the market.

The Japan Mini Vehicle Assn. reported that January sales jumped 10.5 percent to 94,651 units, a record for the month.

Nissan to help Daewoo produce vans in Korea

TOKYO.—Nissan Motor Co. announced it has finalized an agreement to provide technical assistance for the production of small commercial vehicles by Daewoo Motor Co., of South Korea, (Automotive News, Jan. 27). Daewoo is 50 percent owned by General Motors.

Under the agreement, Daewoo will start producing vans with its own nameplate based on the Nissan Vanette in the latter half of 1987. Planned rate is 17,000 units per year initially and 30,000 annually after the fourth year.

A Nissan spokesman said eventually some vehicles will be exported, "but we have not worked out the details as to destination, time and volume." Nissan will supply transmissions and brake components for the project and Isuzu Motors, Ltd., in which GM also has a stake, will source the engines.

Because of government regulations, Nissan said, the vehicle will have 90 percent local content.

Nissan said the agreement was "conceived and worked out" in response to a South Korean Government policy—announced in January, 1985—that abolished restrictions on the types of vehicles that may be produced by individual South Korean auto makers.

According to Nissan, the agreement not only enables Daewoo to expand its product lineup, but also provides Nissan with a foothold in the "fast-growing South Korean automotive industry."

Nissan and Daewoo will proceed with the implementation of the pact pending official approval from the South Korean Government.

Where auto market was, January, 1986

	Total Sales	Pct. of Total
SUBCOMPACT	118,260	13.54%
COMPACT	148,906	17.05%
INTERMEDIATE	246,435	28.22%
STANDARD	55,903	6.40%
LUXURY	66,400	7.61%
IMPORT	237,351	27.18%
TOTAL	873,255	100.00%

U.S. CAR SALES BY MARKETING UNITS

	January, 1986	January, 1985	1 Mos., 1986	1 Mos., 1985
Chevrolet	139,267	134,075	139,267	134,075
Ford	101,603	100,517	101,603	100,517
Oldsmobile	90,185	88,143	90,185	88,143
Pontiac	73,940	53,401	73,940	53,401
Buick	60,157	69,878	60,157	69,878
Toyota	45,285	42,952	45,285	42,952
Nissan	43,340	42,430	43,340	42,430
Mercury	37,338	37,725	37,338	37,725
Honda	50,281	49,304	50,281	49,304
Dodge	34,034	36,479	34,034	36,479
Chrysler	22,785	21,493	22,785	21,493
Plymouth	32,785	31,204	32,785	31,204
Cadillac	22,785	21,493	22,785	21,493
VWoA	21,939	21,122	21,939	21,122
Mazda	18,993	12,079	18,993	12,079
Subaru	16,740	11,401	16,740	11,401
Lincoln	11,514	12,656	11,514	12,656
AMC-Renault	6,739	10,831	6,739	10,831
Volvo	12,080	9,928	12,080	9,928
BMW	6,114	5,439	6,114	5,439
Mercedes	7,608	5,920	7,608	5,920
Mitsubishi	4,090	3,232	4,090	3,232
Saab	3,164	2,890	3,164	2,890
Isuzu	2,884	2,413	2,884	2,413
Porsche	1,733	2,070	1,733	2,070
Peugeot	1,036	1,039	1,036	1,039
Jaguar	1,011	849	1,011	849
Alfa Romeo	404	385	404	385
Maserati Biturbo	125	151	125	151
Yugo	2,834	—	2,834	—
TOTAL	873,255	835,152	873,255	835,152

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA includes Audi and Porsche through Aug. 31, 1984. Porsche figures began Sept. 1, 1984. Nissan includes Sentras built in the U.S. Mercury includes Merkur.

IMPORTED CAR SALES

	Jan., 1986	Jan., 1985	1 Mos., 1986	1 Mos., 1985
Alfa Romeo	404	385	404	385
Audi	5,113	5,371	5,113	5,371
BMW	6,114	5,439	6,114	5,439
Chevrolet Spectrum	4,763	2,748	4,763	2,748
Chevrolet Sprint	5,218	1,462	5,218	1,462
Dodge Colt	4,687	2,952	4,687	2,952
Dodge Conquest	217	218	217	218
Dodge Vista	1,261	657	1,261	657
Honda	37,018	35,938	37,018	35,938
Isuzu	2,884	2,413	2,884	2,413
Jaguar	1,011	849	1,011	849
Maserati Biturbo	125	151	125	151
Mazda	18,993	12,079	18,993	12,079
Mercedes-Benz	7,608	5,920	7,608	5,920
Merkur	1,075	136	1,075	136
Mitsubishi	4,090	3,232	4,090	3,232
Nissan	37,337	42,430	37,337	42,430
Peugeot	1,036	1,039	1,036	1,039
Plymouth Colt	4,282	2,913	4,282	2,913
Plymouth Conquest	232	210	232	210
Plymouth Vista	1,192	619	1,192	619
Porsche	1,733	2,070	1,733	2,070
Renault	350	844	350	844
Saab	3,164	2,890	3,164	2,890
Subaru	16,740	11,401	16,740	11,401
Toyota	45,285	42,952	45,285	42,952
Volkswagen	10,505	9,869	10,505	9,869
Volvo	12,080	9,928	12,080	9,928
Yugo	2,834	0	2,834	0
TOTAL	237,351	207,115	237,351	207,115

DOMESTIC CAR SALES

	Jan. 21 to Jan. 31, 1986	Same Period, 1985	January, 1986	Same Month, 1985	Jan. 1 to Jan. 31, 1986	Same Period, 1985
Alliance	0	0	4,257	5,634	4,257	5,634
Encore	0	0	1,210	2,975	1,210	2,975
Total Renault	0	0	5,467	8,609	5,467	8,609
Eagle	0	0	922	1,378	922	1,378
Total AMC	0	0	922	1,378	922	1,378
AMERICAN MOTORS	3,289	3,592	6,389	9,987	6,389	9,987
Horizon	2,718	3,562	6,108	7,177	6,108	7,177
Turismo	1,501	2,026	3,318	3,756	3,318	3,756
Reliant	4,890	5,247	14,351	12,215	14,351	12,215
Caravelle	1,007	1,389	2,391	2,954	2,391	2,954
Plymouth	481	532	911	1,360	911	1,360
Total Plymouth	10,597	12,756	27,079	27,462	27,079	27,462
Laser	734	1,620	2,204	3,456	2,204	3,456
LeBaron K	3,456	3,049	7,394	6,920	7,394	6,920
LeBaron GTS	2,061	1,491	4,536	3,151	4,536	3,151
Fifth Avenue	2,375	3,161	5,155	7,290	5,155	7,290
New Yorker	1,670	1,730	3,958	4,329	3,958	4,329
Total Chrysler	10,296	11,051	23,247	25,146	23,247	25,146
Omni	2,370	3,032	5,242	5,958	5,242	5,958
Charger	1,534	2,297	3,549	4,213	3,549	4,213
Daytona	906	1,512	2,701	3,119	2,701	3,119
Aries	3,420	4,045	8,208	9,961	8,208	9,961
Lancer	1,372	1,168	2,933	2,270	2,933	2,270
Diplomat	776	1,201	1,689	2,797	1,689	2,797
Dodge 600	1,618	1,797	3,547	4,334	3,547	4,334
Total Dodge	11,996	15,052	27,869	32,652	27,869	32,652
CHRYSLER CORP.	32,889	38,859	79,195	85,260	78,195	85,260
EXP	0	1,281	0	2,909	0	2,909
Escort	11,189	12,874	30,145	29,011	30,145	29,001
Mustang	4,659	5,197	11,389	12,982	11,389	12,982
Tempo	9,513	8,683	24,559	19,861	24,559	19,861
Taurus	3,588	0	8,203	0	8,203	0
Thunderbird	5,112	4,383	13,165	10,982	13,165	10,982
LTD	2,087	5,998	5,166	13,900	5,166	13,900
Crown Victoria	3,636	4,593	8,976	10,882	8,976	10,882
Total Ford Division	39,784	43,009	101,603	100,517	101,603	100,517
Lynx	2,364	2,455	6,104	5,613	6,104	5,613
Topaz	2,171	2,716	5,615	5,676	5,615	5,676
Sable	1,417	0	3,454	0	3,454	0
Cougar	1,417	3,543	10,297	8,599	10,297	8,599
Capri	364	532	891	1,218	891	1,218
Marquis	942	2,977	2,302	6,780	2,302	6,780
Grand Marquis	3,176	4,208	7,600	9,640	7,600	9,640
Total Mercury	14,566	16,431	36,263	37,589	36,263	37,589
Continental	638	976	1,457	3,115	1,457	3,115
Lincoln	4,118	3,364	8,697	7,911	8,697	7,911
Mark VII	601	608	1,360	1,630	1,360	1,630
Total Lincoln	5,357	4,948	11,514	12,656	11,514	11,656
Total L-M Division	19,923	21,379	47,777	50,245	47,777	50,245
FORD MOTOR COMPANY	59,707	64,388	149,380	150,762	149,380	150,762
Skyhawk	1,748	2,823	4,079	6,607	4,079	6,607
Skylark	0	3,965	0	8,653	0	8,653
Somerset Regal	4,957	4,159	11,487	7,521	11,487	7,521
Century	8,910	8,023	20,873	16,542	20,873	16,542
Regal	3,638	3,685	6,779	8,978	6,779	8,978
LeSabre	1,936	5,557	4,579	12,925	4,579	12,925
Electra	6,196	1,850	10,894	4,399	10,894	4,399
Riviera	597	1,984	1,466	4,253	1,466	4,253
Total Buick	28,000	32,046	60,157	69,878	60,157	69,878
Cimarron	593	553	1,384	1,090	1,384	1,090
Seville	551	1,059	1,248	2,365	1,248	2,365
Cadillac	8,176	5,799	18,324	13,036	18,324	13,036
Eldorado	830	2,324	1,829	5,002	1,829	5,002
Total Cadillac	10,150	9,735	22,785	21,493	22,785	21,493
Chevette	1,847	5,228	5,625	13,738	5,625	13,738
Nova	5,227	0	14,038	0	14,038	0
Cavalier	14,056	12,367	38,772	33,147	38,772	33,147
Citation	93	2,417	223	6,338	223	6,338
Camaro	3,779	6,674	9,882	17,237	9,882	17,237
Celebrity	12,242	11,120	36,474	26,445	36,474	26,445
Monte Carlo	2,846	3,384	6,891	8,067	6,891	8,067
Chevrolet	6,333	8,438	15,402	21,863	15,402	21,863
Corvette	741	1,120	1,979	3,030	1,979	3,030
Total Chevrolet	47,164	50,748	129,286	129,865	129,286	129,865
Firenza	893	2,876	2,677	5,748	2,677	5,748
Calais	2,871	3,412	7,635	8,443	7,635	8,443
Cutlass Ciera	11,070	10,370	31,634	25,164	31,634	25,164
Cutlass Supreme	8,026	7,533	22,666	18,621	22,666	18,621
Olds 88	4,467	7,456	11,582	18,140	11,582	18,140
Olds 98	5,635	3,302	12,768	8,378	12,768	8,378
Toronado	475	1,866	1,223	3,649	1,223	3,649
Total Oldsmobile	33,437	36,815	90,185	88,143	90,185	88,143
Fiero	2,592	2,308	6,123	5,484	6,123	5,484
1000	1,288	872	2,049	2,029	2,049	2,029
Sunbird	4,917	3,093	11,448	7,865	11,448	7,865
Phoenix	0	681	0	855	0	855
Firebird	3,546	2,870	7,335	6,981	7,335	6,981
Grand Am	7,499	2,955	15,544	7,471	15,544	7,471
6000	7,731	4,478	16,882	9,792	16,882	9,792
Bonneville	1,879	1,690	4,687	3,751	4,687	3,751
Grand Prix	1,976	1,556	4,708	4,052	4,708	4,052
Parisienne	2,145	2,012	5,164	5,121	5,164	5,121
Total Pontiac	33,573	22,515	73,940	53,401	73,940	53,401
GENERAL MOTORS	152,324	151,859	376,353	362,780	376,353	362,780
VOLKSWAGEN	3,491	3,414	6,321	5,882	6,321	5,882
HONDA	7,253	6,388	13,263	13,366	13,263	13,366
NISSAN	2,749	0	6,003	0	6,003	0
DOMESTIC TOTAL	261,702	268,500	635,904	628,037	635,904	628,037
IMPORT TOTAL			237,351	207,115	237,351	207,115
INDUSTRY TOTAL			873,255	835,152	873,255	835,152

Mazda starts first staffing at Flat Rock

Mazda Motor Mfg. USA has announced the start of hiring procedures at its new plant under construction in Flat Rock, Mich.

Initial staffing will include production and maintenance team members and supervisors, the company said.

The procedure is being conducted by mail only. Mazda set a Feb. 15 deadline for application form requests from those who want to be considered for employment during the initial staffing period. Applicants will be subsequently contacted for a series of tests and interviews.

Full-scale hiring will begin this summer and will continue through the plant's scheduled start of production in the fall of 1987, Mazda said. The company anticipates a 3,500-member workforce.

Mazda is building a $450-million, 2.1-million-square-foot assembly facility at the site of the old Ford Michigan Casting center in Flat Rock. At full production, it will produce 240,000 vehicles annually.

Mazda said it will test prospective employes on reading, verbal and mechanical skills because the "working environment will entail learning and performing many job functions, participating in problem-solving activities and actively contributing to the quality and productivity goals of the plant."

Applicants will also be assessed for performance and team membership abilities, the company said.

The Mazda workforce will be represented by the UAW.

Mazda has signed a letter of intent with the UAW defining an interim relationship and providing for union recognition and negotiation of a labor contract. The letter of intent specifies that bargaining will begin within three months of commercial production startup and be completed within six months.

Mazda is expected to build a "626-class" vehicle at the plant. It is pegged by company officials as an "international-sized" car, about the same size as the Honda Accord and slightly smaller than the General Motors A-cars (Automotive News, Nov. 25, 1985).

The plant is expected to reach full capacity by late 1986. Ford Motor Co. will buy about half the output.

GM to lease research space in Detroit area

STERLING HEIGHTS, Mich.—General Motors will be leasing space in a new building in this Detroit suburb to house a research program. The company is releasing no details about the project.

A GM spokesperson said it is a project of the Chevrolet-Pontiac-GM of Canada Group (CPC), but it has yet to be approved by the corporation. No timetable is being given for corporate approval.

Despite rumors to the contrary, the program is not primarily related to the Saturn project.

City officials here have said that the building would be used for light industry and would involve plastic parts. GM would not comment on that subject.

Production Page

U.S. CAR	Week Ended Feb. 8, 1986	Week Ended Feb. 9, 1985	Week Ended Feb. 1, 1986	Jan. Total	Jan. 1, to Feb. 9, 1985	Jan. 1, to Feb. 8, 1986
AMERICAN MOTORS	0	3,726	0	2,823	11,768	2,823
Renault Total	0	3,726	0	2,823	11,768	2,823
Alliance	0	2,341	0	2,378	7,532	2,378
Encore	0	1,385	0	445	4,236	445
CHRYSLER CORP.	29,600	25,108	31,325	134,849	140,054	166,153
Plymouth Total	8,500	7,338	8,711	38,450	40,616	47,478
Horizon	3,100	2,647	2,990	13,994	14,114	17,094
Reliant	3,800	3,073	4,149	17,668	17,810	21,905
Caravelle	1,300	1,251	1,180	5,769	6,883	7,072
Gran Fury	300	367	392	1,019	1,809	1,407
Chrysler Total	10,700	8,215	11,833	49,260	49,081	60,840
LeBaron	2,600	2,387	2,982	12,095	13,319	14,990
LeBaron GTS	2,400	1,212	2,520	10,534	7,441	12,934
Laser	1,000	896	1,085	4,657	6,334	5,657
New Yorker/E-Class	1,600	1,488	1,517	7,075	7,921	8,675
Fifth Avenue	3,100	2,232	3,729	14,899	14,066	18,584
Dodge Total	10,400	9,555	10,781	47,139	50,357	57,835
Omni	3,000	2,778	3,095	14,045	15,156	17,045
Aries	2,300	2,528	2,602	10,638	13,110	13,184
Daytona	1,000	1,077	1,057	4,631	5,234	5,631
Dodge 600	1,800	1,675	1,677	7,474	8,538	9,274
Lancer	2,000	927	1,983	8,341	5,385	10,341
Diplomat	300	570	367	2,010	2,934	2,360
FORD MOTOR	38,925	36,105	35,298	149,034	213,912	188,331
Ford Division	26,587	23,455	23,853	100,574	139,174	127,440
Escort	8,617	6,785	7,744	34,096	38,943	42,713
Mustang	4,205	3,363	4,103	17,625	19,295	21,830
LTD	0	4,265	0	0	27,497	0
Taurus	5,464	0	4,334	14,209	0	19,952
Thunderbird	3,635	4,904	3,643	15,901	22,424	19,536
Crown Victoria	0	0	0	0	7,122	0
EXP	0	556	0	0	3,020	0
Tempo	4,666	3,582	4,029	18,743	20,873	23,409
L-M Division	12,338	12,650	11,445	48,460	74,738	60,891
Mercury Total	8,058	9,080	7,755	32,552	54,714	40,703
Lynx	1,148	1,561	1,531	6,726	9,596	7,874
Capri	385	588	283	1,959	2,385	2,344
Marquis	0	2,167	0	0	12,868	0
Sable	2,625	0	2,139	7,107	0	9,825
Cougar	2,406	3,216	2,431	10,441	17,807	12,847
Grand Marquis	0	0	0	0	4,733	0
Topaz	1,494	1,548	1,371	6,319	7,325	7,813
Lincoln Total	4,280	3,570	3,690	15,908	20,024	20,188
Continental	476	651	410	1,900	3,625	2,376
Lincoln	3,212	2,528	2,767	11,938	14,183	15,150
Mark VI/VII	592	391	513	2,070	2,216	2,662
GENERAL MOTORS	97,975	105,932	97,752	426,360	584,870	524,615
Buick Total	14,303	19,919	14,551	71,740	113,982	86,409
Skylark (X-car)	0	2,566	0	0	13,957	0
Skyhawk	1,775	2,320	1,864	8,176	11,037	9,951
Somerset/Skylark	1,815	2,657	2,268	9,424	13,163	11,251
Century	4,353	4,354	4,750	25,496	25,533	29,849
Regal	0	1,657	1,056	4,096	14,170	4,099
Estate Wagon (rwd)	255	2,681	214	1,015	21,550	1,270
LeSabre	2,256	0	1,963	6,283	0	8,890
Riviera	749	1,436	313	1,474	7,193	2,223
Electra	3,100	2,248	2,123	15,776	7,379	18,876
Cadillac Total	7,788	7,993	7,429	25,892	45,102	33,680
Cimarron	440	672	358	1,825	2,931	2,265
Seville	569	968	267	1,094	4,979	1,663
Eldorado	808	1,718	347	1,552	9,220	2,360
Cadillac (rwd)	2,157	1,274	2,085	4,827	7,163	6,984
DeVille (fwd)	3,814	3,361	4,372	16,594	20,809	20,408
Chevrolet Total	33,960	37,652	33,449	151,157	207,855	184,156
Chevette	2,563	3,107	2,641	12,679	18,656	14,272
Cavalier	9,554	11,060	9,310	41,757	54,713	51,311
Celebrity	7,120	5,637	6,233	26,290	32,802	33,410
Camaro	5,153	4,711	4,902	21,720	27,436	26,858
Citation	0	1,504	0	0	9,369	0
Malibu/El Camino	0	0	0	0	0	0
Monte Carlo	2,555	3,364	2,622	11,844	15,975	14,401
Chevrolet	6,227	7,253	7,741	36,867	45,043	43,116
Corvette	788	1,016	0	0	3,861	788
Oldsmobile Total	22,730	26,924	24,387	105,089	146,424	127,735
Omega	0	0	0	0	0	0
Firenza	1,070	1,899	937	4,391	8,791	5,461
Cutlass Supreme	2,245	3,152	4,988	20,158	22,445	22,304
Cutlass Ciera	6,760	8,976	6,280	30,649	45,314	37,409
88 (rwd)	480	5,284	477	2,903	32,421	3,383
88 (fwd)	5,440	0	4,690	18,486	0	23,926
Olds 98	2,811	3,147	3,621	13,741	15,084	16,552
Calais	3,385	3,422	3,151	13,702	16,847	17,102
Toronado	539	1,044	243	1,059	5,522	1,598
Pontiac Total	19,194	13,444	17,936	72,482	71,507	92,635
Acadian**	0	182	209	961	1,231	970
2000 Sunbird	2,932	3,188	2,688	12,559	16,233	15,494
1000	825	566	502	1,621	3,836	3,416
Firebird	2,655	2,520	2,694	11,613	14,781	14,268
Phoenix	0	0	0	0	0	0
6000	4,212	561	3,021	12,040	2,218	16,252
Grand Prix/Bon'vle	0	0	0	0	0	0
Parisienne	1,770	1,477	2,015	9,731	8,687	11,501
Fiero	2,400	2,342	2,389	4,721	12,000	7,123
Grand Am	4,400	2,608	4,418	19,236	12,521	23,611
HONDA	3,750	3,517	3,656	15,944	18,256	20,044
NISSAN	1,780	0	1,718	7,900	0	10,680
NUMMI*	2,970	20	2,970	14,849	45	12,040
VOLKSWAGEN	1,400	2,096	0	6,348	10,866	8,599
Total Cars, U.S.	176,400	176,504	172,719	758,107	979,771	933,265
Total Cars, Canada	21,460	19,564	20,619	87,204	111,482	108,664
N. American Cars	197,860	196,068	193,338	845,311	1,091,253	1,041,949
N. American Trucks	91,580	88,423	90,616	392,627	466,734	485,043
North American Cars and Trucks	289,440	284,491	283,954	1,237,938	1,557,987	1,526,992

*—Revised estimate.
**—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

January production highest since October

By Kathy Boyer
Detroit Reporter

U.S. auto production for January—758,107 units—was the highest monthly total since 763,740 last October.

January's build was 35.03 percent more than December's 561,439 but 0.84 percent below the 764,551 units turned out during the year-ago month.

Last week's estimated output of 176,400 cars was up 2.13 percent from the previous week's 172,719 and 0.06 percent below the year-ago week's 176,504.

Companies accounted for last week's scheduled production as follows: General Motors, 55.54 percent; Ford Motor Co., 22.07 percent; Chrysler Corp., 16.78 percent; Honda of America Mfg. Co., 2.13 percent; New United Motor Mfg. Co., 1.68 percent; Nissan Motor Mfg. Co., U.S.A., 1.01 percent, and Volkswagen of America, 0.79 percent.

As reported earlier, American Motors' Kenosha plant was down last week for inventory adjustment. It is scheduled to resume production today (Feb. 10).

GM's Pontiac G assembly plant was closed last week. It produces the Buick Regal and Oldsmobile Cutlass Supreme and is scheduled to resume production today.

GM scheduled overtime Saturday (Feb. 8) at its Oklahoma City and Tarrytown, N.Y., plants.

Ford slated overtime Saturday (Feb. 8) at Wixom, Mich.; Wayne, Mich.; Kansas City, and Atlanta.

Chrysler has slated daily overtime this week (Feb. 10) at its plants in Belvidere, Ill.; St. Louis (No. 2), and Newark, Del.

Truck production best since 1979

U.S. truck makers produced 312,358 trucks in January, the highest for that month since January, 1979, when 336,734 were assembled.

Last month's output, which was 29.44 percent more than December's 241,322, was the best since October, 1985, when 341,249 trucks were built.

January's production was 7.53 percent more than the year-ago month's 290,492.

Last week's scheduled production of 72,413 trucks was slightly (0.42 percent) above the previous week's 72,113.

GM scheduled overtime Saturday (Feb. 8) at its plants in Janesville, Wis., and Moraine, Ohio.

Ford slated Saturday overtime at its Twin Cities and St. Louis assembly plants.

January record for Canadian trucks

January's truck production in Canada was the best ever for that month.

The makers produced 80,269 units, the highest total for any month since the 80,594 assembled in May, 1985.

January's output was 43.88 percent more than the 55,789 assembled in December and 2.19 percent better than the year-ago month's 78,546.

Scheduled production of 19,167 trucks last week was the highest since the week ended Dec. 7, 1985, when 19,256 trucks were built.

Last week's scheduled production was 3.59 percent more than the previous week's 18,503 and 2.31 percent above the year-ago week's 18,735.

Both Canadian truck and car makers passed the 100,000 mark last Friday (Feb. 7).

Car makers built 87,204 units in January, 17.21 percent more than December's 74,402 and 2.75 percent more than the year-ago month's 84,871.

The estimated production of 21,460 cars last week was the best output of any week since the 21,808 assembled the week ended Dec. 21, 1985.

Last week's scheduled output was 4.08 percent more than the previous week's 20,619 and 9.69 percent more than the year-ago week's 19,564.

CANADIAN CAR	Week Ended Feb. 8, 1986	Week Ended Feb. 9, 1985	Week Ended Feb. 1, 1986	Jan. Total	Jan. 1, to Feb. 9, 1985	Jan. 1, to Feb. 8, 1986
AMERICAN MOTORS	0	0	0	1,200	964	1,200
FORD MOTOR	11,655	10,807	11,349	49,834	62,338	61,489
GENERAL MOTORS	9,580	8,532	9,045	35,208	46,920	44,788
VOLVO	225	225	225	962	1,260	1,187
Total Cars, Canada	21,460	19,564	20,619	87,204	111,482	108,664

U.S. TRUCK☆	Week Ended Feb. 8, 1986	Week Ended Feb. 9, 1985	Week Ended Feb. 1, 1986	Jan. Total	Jan. 1, to Feb. 9, 1985	Jan. 1, to Feb. 8, 1986
CHEVROLET	24,645	23,398	24,418	111,635	125,552	134,846
DODGE	0	4,118	0	0	22,430	0
FORD	30,344	24,375	30,025	125,928	124,392	157,302
GMC	7,665	7,165	8,157	32,110	36,382	40,155
NAVISTAR	1,485	1,599	1,496	6,500	8,242	7,943
JEEP	4,250	4,360	4,183	23,913	22,156	27,515
NISSAN	1,574	2,523	1,384	2,650	13,050	4,224
AM GENERAL	50	50	50	222	280	272
MISCELLANEOUS	2,400	2,100	2,400	9,400	11,760	11,800
Total Trucks, U.S.	72,413	69,688	72,113	312,358	364,244	384,057

CANADIAN TRUCK	Week Ended Feb. 8, 1986	Week Ended Feb. 9, 1985	Week Ended Feb. 1, 1986	Jan. Total	Jan. 1, to Feb. 9, 1985	Jan. 1, to Feb. 8, 1986
CHRYSLER	9,080	8,648	8,414	38,550	48,546	48,654
FORD	3,581	3,612	3,615	15,598	19,836	19,150
GENERAL MOTORS	6,336	6,225	6,305	25,385	32,902	32,276
NAVISTAR	170	250	169	736	1,206	906
Total Trucks, Canada	19,167	18,735	18,503	80,269	102,490	100,986
N. American Trucks	91,580	88,423	90,616	392,627	466,734	485,043

☆—Includes window van production. *— Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.